



ARIZONA HOUSE OF REPRESENTATIVES

Fifty-sixth Legislature
First Regular Session

House: LARA DPA 7-2-0-0

HB 2376: agricultural land; foreign ownership; prohibition

Sponsor: Representative Biasiucci, LD 30

Caucus & COW

Overview

Prohibits selling, leasing, or subleasing agricultural state land to a foreign entity.

History

Selling and Leasing Agricultural State Lands

The State Land Department manages state lands, which includes state trust lands and lands otherwise owned by this State (A.R.S. §§ [37-101](#) and [37-102](#)). State trust lands can be leased upon application to the State Land Department, subject to certain terms and conditions. For example, an agricultural lease is limited to a 10-year term ([A.R.S. § 37-281](#)). State trust lands may be sold when someone applies to the State Land Department or when the State Land Commissioner decides to sell these lands (A.R.S. §§ [37-232](#) and [37-333](#)). State trust lands are generally sold to the highest and best bidder at public auction, provided that these lands are sold for more than their appraised value ([A.R.S. § 37-236](#) and [Constitution of Arizona, Article 10, § 4](#)). However, sales, leases or subleases of state lands cannot be made to corporations that are not qualified to transact business in Arizona ([A.R.S. § 37-240](#)).

Qualifications for Corporations to Transact Business in Arizona

The requirements for a corporation to transact business in Arizona depend on where it was formed. A corporation incorporated in Arizona may transact business upon filing its articles of incorporation and certificate of disclosure with the Arizona Corporation Commission (A.R.S. §§ [10-125](#), [10-203](#) and [10-301](#)). Foreign corporations, which are those entities not incorporated in Arizona, cannot transact business in this state without the Arizona Corporation Commission's approval (A.R.S. §§ [10-140](#) and [10-1501](#)).

Provisions

1. Prohibits sales, leases or subleases of agricultural state land to a foreign entity. (Sec. 3 and 4)
2. Defines *foreign entity*. (Sec. 1)
3. Makes technical and conforming changes. (Sec. 1, 2 and 3)

Amendments

Committee on Land, Agriculture & Rural Affairs

1. Prohibits the sale of state lands (instead of just agricultural state lands) to a foreign entity.
2. Deletes a provision prohibiting leases and subleases of agricultural state land to a foreign entity.
3. Redefines *foreign entity*.

☐ Prop 105 (45 votes)

☐ Prop 108 (40 votes)

☐ Emergency (40 votes)

☐ Fiscal Note